

FILED MAR 13 1987

By

  
A JOINT RESOLUTION

HJ.R. No. 104

1 proposing a constitutional amendment relating to the establishment  
2 of a self insurance pool for grain storage facilities and permitting  
3 the use of public funds as surety.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III of the Texas Constitution is amended  
6 by adding section 50-d to read as follows:

7 (a) For the purposes of providing surety for the Texas grain  
8 warehouse self insurance fund, the legislature by general law may  
9 establish or provide for a guarantee of the fund not to exceed five  
10 million dollars.

11 (b) At the beginning of the fiscal year after the fund reaches  
12 \$5 million, as certified by the comptroller of public accounts, the  
13 guarantee of the fund shall cease and this provision shall expire.

14 (c) Should the legislature enact any enabling laws in anticipation  
15 of this amendment, no such law shall be void by reason of its  
16 anticipating nature.

17 (d) If the provisions of this section conflict with any other  
18 provisions of this constitution, then the provisions of this section  
19 shall prevail.

20 SECTION 2. This proposed amendment shall be submitted to the  
21 voters at an election to be held November 3, 1987. The ballot shall  
22 be printed to provide for voting for or against the proposition:  
23 "The constitutional amendment to provide for the surety of a grain  
24 warehouse fund to be established by the grain industry for the  
25 protection of farmers and depositors of grain in public warehouse  
26 facilities."

# HOUSE

## COMMITTEE REPORT

1987 APR 9 PM 8:34  
HOUSE OF REPRESENTATIVES

1st. Printing

1987 APR 9 PM 8:34  
HOUSE OF REPRESENTATIVES

1987 APR -9 PM 8:34  
HOUSE OF REPRESENTATIVES

By Waterfield

H.J.R. No. 104

### A JOINT RESOLUTION

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16 anticipation of this amendment, no such law shall be void by reason  
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H.J.R. No. 104

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2   industry for the protection of farmers and depositors of grain in  
3   public warehouse facilities."

# COMMITTEE REPORT

The Honorable Gib Lewis  
Speaker of the House of Representatives

4-6-87  
(date)

Sir:

We, your COMMITTEE ON AGRICULTURE & LIVESTOCK,

to whom was referred HJR 104 have had the same under consideration and beg to report  
(measure)

back with the recommendation that it

☒ do pass, without amendment.

☐ do pass, with amendment(s).

☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

An author's fiscal statement was requested. ☐ yes ☒ no

The Committee recommends that this measure be placed on the ~~(Local)~~ or ~~(Consent)~~ Calendar.

This measure ☒ proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Harrison, Ch.	<input checked="" type="checkbox"/>			
Robinson, V.C.	<input checked="" type="checkbox"/>			
Shaw, C.B.O.	<input checked="" type="checkbox"/>			
Carriker				<input checked="" type="checkbox"/>
Cuellar, R.	<input checked="" type="checkbox"/>			
Edge	<input checked="" type="checkbox"/>			
Kubiak	<input checked="" type="checkbox"/>			
Patterson	<input checked="" type="checkbox"/>			
Waterfield	<input checked="" type="checkbox"/>			

Total

8 aye

0 nay

0 present, not voting

1 absent

Dwight Harris  
CHAIRMAN

Laura Calfee  
COMMITTEE COORDINATOR

## COMMITTEE ON AGRICULTURE AND LIVESTOCK

H.J.R. 104  
By Waterfield

### BILL ANALYSIS

#### BACKGROUND INFORMATION

Since January 1, 1987, bonding companies have experienced over \$600,000 in losses from grain elevator failures. This figure greatly exceeds the amount collected in premiums during this period. Under these conditions, it is no longer feasible for bonding companies to write bonds. Elevator owners have found it difficult to obtain bonding. Under state and federal law, however, warehousemen are required to be bonded to operate a grain warehouse.

Other alternatives may need to be considered such as a self-insurance pool for grain storage facilities which other states have established. Some states have been successful and others have incurred problems with self-insurance pools.

#### PURPOSE

This resolution proposes a constitutional amendment to establish a self insurance fund for grain storage facilities and provides a public guarantee of the fund.

#### SECTION-BY-SECTION ANALYSIS

This resolution amends Article III of the Texas Constitution by adding Section 50-d.

Section 1: (a) Provides that surety for the Texas grain warehouse self insurance fund may be established by general law with a guarantee not to exceed \$5 million. (b) Prescribes that the fund shall cease and this provision expire when the grain warehouse self insurance fund reaches \$5 million. (c) Provides that enabling legislation enacted in anticipation of this amendment shall not be void for that reason. (d) Provides that provision of this section prevail over any conflicting provisions.

Section 2: Sets the election date of this amendment and proposes ballot language.

#### RULEMAKING AUTHORITY

It is the opinion of this committee that this bill does not delegate any rulemaking authority to a state agency, officer, department, or institution.

#### SUMMARY OF COMMITTEE ACTION

Public notice was posted in accordance with House Rules, and a public hearing was held on March 30, 1987. The following persons did not testify, but were present to go on record in support of H.J.R. 104:

Wayne Wilbur, Legislative Director for, and representing, the Texas Farmers Union, and David Swinford, President, Moore County Grain Handling Company, representing himself. Kenneth Boatwright, Director, Seed and Grain Warehouse Program, Texas Department of Agriculture, representing himself, did not testify, but registered as a resource witness for H.J.R. 104.

The bill was referred to a subcommittee with Representative Robinson, chairman, and Representatives Patterson and Waterfield as members. On April 1, 1987, the subcommittee met in a formal meeting and voted to report H.J.R. 104 back to the Committee with the recommendation that it do pass, without amendments.

In a public hearing on April 6, 1987, the full committee voted to report H.J.R. 104 to the House without amendments and with the recommendation that it do pass by a record vote of 8 ayes, 0 nays, 0 PNV, and 1 absent.

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

March 30, 1987

TO: Honorable Dudley Harrison, Chair    In Re: House Joint Resolution No. 104  
Committee on Agriculture                    By: Waterfield  
and Livestock  
House of Representatives  
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 104 (proposing a constitutional amendment relating to the establishment of a self insurance pool for grain storage facilities and permitting the use of public funds as surety) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution proposes a constitutional amendment which, if adopted, would provide for surety of a self-insurance pool for grain storage facilities. The resolution would enable the Legislature by general law to establish or provide for a guarantee of the self-insurance fund not to exceed five million dollars out of the General Revenue Fund.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Department of Agriculture;  
LBB Staff: JO, HES, JWH, SZ, LV

# HOUSE ENGROSSMENT

By Waterfield

H.J.R. No. 104

## A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the establishment  
2 of a self-insurance pool for grain storage facilities and  
3 permitting the use of public funds as surety.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III of the Texas Constitution is amended  
6 by adding Section 50-d to read as follows:

7 Sec. 50-d. (a) For the purposes of providing surety for the  
8 Texas grain warehouse self-insurance fund, the legislature by  
9 general law may establish or provide for a guarantee of the fund  
10 not to exceed \$5 million.

11 (b) At the beginning of the fiscal year after the fund  
12 reaches \$5 million, as certified by the comptroller of public  
13 accounts, the guarantee of the fund shall cease and this provision  
14 shall expire.

15 (c) Should the legislature enact any enabling laws in  
16 anticipation of this amendment, no such law shall be void by reason  
17 of its anticipating nature.

18 (d) If the provisions of this section conflict with any  
19 other provisions of this constitution, the provisions of this  
20 section shall prevail.

21 SECTION 2. This proposed amendment shall be submitted to the  
22 voters at an election to be held November 3, 1987. The ballot  
23 shall be printed to provide for voting for or against the  
24 proposition: "The constitutional amendment to provide for the



H.J.R. No. 104

1   surety of a grain warehouse fund to be established by the grain  
2   industry for the protection of farmers and depositors of grain in  
3   public warehouse facilities."

## Austin, Texas

March 30, 1987

FROM: Jim Oliver, Director

No fiscal implication to units of local government is anticipated.

R1

1 By: Waterfield (Senate Sponsor - Santiesteban) H.J.R. No. 104  
2 (In the Senate - Received from the House May 20, 1987;  
3 May 21, 1987, read first time and referred to Committee on State  
4 Affairs; May 29, 1987, reported favorably by the following vote:  
5 Yeas 7, Nays 1; May 29, 1987, sent to printer.)

6 COMMITTEE VOTE

	Yea	Nay	PNV	Absent
7 Farabee	x			
8 Blake	x			
9 Barrientos				x
10 Caperton				x
11 Edwards	x			
12 Harris				x
13 Henderson				x
14 Leedom	x			
15 Lyon	x			
16 McFarland	x			
17 Parmer				x
18 Sarpalius		x		
19 Washington	x			

21 A BILL TO BE ENTITLED  
22 AN ACT

23 proposing a constitutional amendment relating to the establishment  
24 of a self-insurance pool for grain storage facilities and  
25 permitting the use of public funds as surety.

26 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

27 SECTION 1. Article III of the Texas Constitution is amended  
28 by adding Section 50-d to read as follows:

29 Sec. 50-d. (a) For the purposes of providing surety for the  
30 Texas grain warehouse self-insurance fund, the legislature by  
31 general law may establish or provide for a guarantee of the fund  
32 not to exceed \$5 million.

33 (b) At the beginning of the fiscal year after the fund  
34 reaches \$5 million, as certified by the comptroller of public  
35 accounts, the guarantee of the fund shall cease and this provision  
36 shall expire.

37 (c) Should the legislature enact any enabling laws in  
38 anticipation of this amendment, no such law shall be void by reason  
39 of its anticipating nature.

40 (d) If the provisions of this section conflict with any  
41 other provisions of this constitution, the provisions of this  
42 section shall prevail.

43 SECTION 2. This proposed amendment shall be submitted to the  
44 voters at an election to be held November 3, 1987. The ballot  
45 shall be printed to provide for voting for or against the  
46 proposition: "The constitutional amendment to provide for the  
47 surety of a grain warehouse fund to be established by the grain  
48 industry for the protection of farmers and depositors of grain in  
49 public warehouse facilities."

50 \* \* \* \* \*

51 Austin, Texas  
52 May 29, 1987

53 Hon. William P. Hobby  
54 President of the Senate

55 Sir:

56 We, your Committee on State Affairs to which was referred H.J.R.  
57 No. 104, have had the same under consideration, and I am instructed  
58 to report it back to the Senate with the recommendation that it do  
59 pass and be printed.

60 Farabee, Chairman

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 27, 1987

TO: Honorable Ray Farabee, Chairman    In Re: House Joint Resolution No. 104,  
Committee on State Affairs            as engrossed  
Senate Chamber                        By: Waterfield  
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 104, as engrossed (proposing a constitutional amendment relating to the establishment of a self-insurance pool for grain storage facilities and permitting the use of public funds as surety) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution proposes a constitutional amendment which, if adopted, would provide for surety of a self-insurance pool for grain storage facilities. The resolution would enable the Legislature by general law to establish or provide for a guarantee of the self-insurance fund not to exceed five million dollars out of the General Revenue Fund.

The cost of publication of the resolution to the State is estimated to be \$45,000.

No fiscal implication to units of local government is anticipated.

Source: Department of Agriculture;  
LBB Staff: JO, HES, JWH, SZ, LV

## Austin, Texas

March 30, 1987

FROM: Jim Oliver, Director

# SENATE FAVORABLE COMMITTEE REPORT

Lt. Governor William P. Hobby  
President of the Senate

5/29/87  
(date)/(time)

Sir:

We, your Committee on STATE AFFAIRS to which was referred  
HJR 104 by Waterfield have on 5/29, 1987, had the same  
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

Senate Sponsor of House Measure Santisteban

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Farabee, Chairman	<input checked="" type="checkbox"/>			
Blake, Vice Chairman	<input checked="" type="checkbox"/>			
Barrientos				<input checked="" type="checkbox"/>
Caperton				<input checked="" type="checkbox"/>
Edwards	<input checked="" type="checkbox"/>			
Harris				<input checked="" type="checkbox"/>
Henderson				<input checked="" type="checkbox"/>
Leedom	<input checked="" type="checkbox"/>			
Lyon	<input checked="" type="checkbox"/>			
McFarland	<input checked="" type="checkbox"/>			
Parmer		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Sarpalius		<input checked="" type="checkbox"/>		
Washington	<input checked="" type="checkbox"/>			
TOTAL VOTES	<u>7</u>	<u>1</u>		<u>5</u>

Shanna Jop  
COMMITTEE CLERK

Jan Am  
CHAIRMAN

per clip the original and one copy of this form to the original bill and retain one copy for your file.

F  
**ENROLLED**

H.J.R. No. 104

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the establishment  
2 of a self-insurance pool for grain storage facilities and  
3 permitting the use of public funds as surety.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III of the Texas Constitution is amended  
6 by adding Section 50-e to read as follows:

7 Sec. 50-e. (a) For the purposes of providing surety for the  
8 Texas grain warehouse self-insurance fund, the legislature by  
9 general law may establish or provide for a guarantee of the fund  
10 not to exceed \$5 million.

11 (b) At the beginning of the fiscal year after the fund  
12 reaches \$5 million, as certified by the comptroller of public  
13 accounts, the guarantee of the fund shall cease and this provision  
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15 (c) Should the legislature enact any enabling laws in  
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19 other provisions of this constitution, the provisions of this  
20 section shall prevail.

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22 voters at an election to be held November 3, 1987. The ballot  
23 shall be printed to provide for voting for or against the  
24 proposition: "The constitutional amendment to provide for the

H.J.R. No. 104

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2 industry for the protection of farmers and depositors of grain in  
3 public warehouse facilities."



H.J.R. No. 104

---

President of the Senate

---

Speaker of the House

I certify that H.J.R. No. 104 was passed by the House on May 19, 1987, by the following vote: Yeas 127, Nays 15, 1 present, not voting.

---

Chief Clerk of the House

I certify that H.J.R. No. 104 was passed by the Senate on May 30, 1987, by the following vote: Yeas 22, Nays 8.

---

Secretary of the Senate

RECEIVED: \_\_\_\_\_

Date

---

Secretary of State

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.J.R. No. 104<sup>✓</sup> was passed by the House on  
(1)

May 19, 1987, by the following vote:

(2)  
Yeas 127<sup>✓</sup>, Nays 15<sup>✓</sup>, 1 present, not voting  
(3) (4)

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.J.R. No. 104<sup>✓</sup> was passed by the Senate on  
May 30<sup>✓</sup>, 1987, by the following vote:

(5)  
Yeas 22<sup>✓</sup>, Nays 8<sup>✓</sup>  
(6) (7)

\_\_\_\_\_  
Secretary of the Senate

RECEIVED:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary of State

\*\*\*\* Preparation: 'A;CT47;

By Buck Watfield

## HOUSE JOINT RESOLUTION

Proposing a constitutional amendment relating to the establishment of a self insurance pool for grain storage facilities and permitting the use of public funds as surety.

MAR 13 1987

1. Filed with the Chief Clerk.

MAR 23 1987

2. Read first time and referred to Committee on

Agriculture & LivestockAPR 6 19873. Reported favorably <sup>(as amended)</sup>  
<sub>(as substituted)</sub> and sent to Printer at6:15 pm  
APR 8 1987APR 9 1987

4. Printed and distributed at

8:34 pmAPR 10 1987

5. Sent to Committee on Calendars at

1:19 pmMAY 19 19876. Read second time <sup>(amended)</sup> and (finally) passed to Third Reading by a Record Vote of 127 yeas, 15 nays, 7 present, not voting.

7. Motion to reconsider and table the vote by which H.J.R. \_\_\_\_\_ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. \_\_\_\_\_ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, and \_\_\_\_\_ present, not voting).

MAY 19 1987

11. Ordered Engrossed at

1:29 pmMAY 20 1987 KA

12. Engrossed.

MAY 20 1987 KA

13. Returned to Chief Clerk at

1:48 pm.MAY 20 1987.

14. Sent to the Senate.

Betty Munnay  
Chief Clerk of the HouseMAY 20 1987

15. Received from the House

MAY 21 198716. Read, referred to Committee on STATE AFFAIRSMAY 29 1987

17. Reported favorably

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

MAY 30 1987

20. Regular order of business suspended by

(a viva voce vote.)  
20 yeas, 7 nays.)

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

MAY 30 1987

22. Read second time

passed to third reading by:  
(a viva voce vote.)  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays.)

\_\_\_\_\_ 23. Caption ordered amended to conform to body of bill.

MAY 30 1987

24. Senate and Constitutional 3-Day Rules suspended by vote of 24 yeas,  
6 nays to place bill on third reading and final passage.

MAY 30 1987

25. Read third time and passed by

(a viva voce vote.)  
( 22 yeas, 8 nays.)

OTHER ACTION:

OTHER ACTION:

*Betty King*

Secretary of the Senate

5-30-87

26. Returned to the House.

MAY 30 1987

27. Received from the Senate ~~(with amendments.)~~  
~~(as substituted.)~~

\_\_\_\_\_ 28. House (Concurred) (Refused to Concur) in Senate <sup>(Amendments)</sup>  
<sup>(Substitute)</sup> by a (Non-Record  
Vote) (Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present,  
not voting).

\_\_\_\_\_ 29. Conference Committee Ordered.

\_\_\_\_\_ 30. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record  
Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, and \_\_\_\_\_ present, not voting).

MAY 30 1987

31. Ordered Enrolled at

4:11pm

HOUSE OF REPRESENTATIVES  
1987 APR -9 PM 8:34